



**Calhoun: The NPS Institutional Archive**  
**DSpace Repository**

---

Theses and Dissertations

1. Thesis and Dissertation Collection, all items

---

1985

An evaluation of the adequacy of the financial  
management and budgeting training provided  
to ground supply officers in the United States  
Marine Corps

Herkenham, Robert J.

---

<http://hdl.handle.net/10945/21314>

---

This publication is a work of the U.S. Government as defined in Title 17, United States Code, Section 101. Copyright protection is not available for this work in the United States.

*Downloaded from NPS Archive: Calhoun*



Calhoun is the Naval Postgraduate School's public access digital repository for research materials and institutional publications created by the NPS community. Calhoun is named for Professor of Mathematics Guy K. Calhoun, NPS's first appointed -- and published -- scholarly author.

**Dudley Knox Library / Naval Postgraduate School**  
**411 Dyer Road / 1 University Circle**  
**Monterey, California USA 93943**

<http://www.nps.edu/library>







DUDLEY KNOX LIBRARY  
NAVY POSTGRADUATE SCHOOL  
MONTEREY, CALIFORNIA 93943-6002





# NAVAL POSTGRADUATE SCHOOL

## Monterey, California



# THESIS

AN EVALUATION OF THE ADEQUACY OF THE  
FINANCIAL MANAGEMENT AND BUDGETING TRAINING  
PROVIDED TO GROUND SUPPLY OFFICERS  
IN THE UNITED STATES MARINE CORPS

by

Robert J. Herkenham

December 1985

Thesis Advisor:

Jerry McCaffery

Approved for public release; distribution unlimited

T226317



## REPORT DOCUMENTATION PAGE

REPORT SECURITY CLASSIFICATION UNCLASSIFIED			1b. RESTRICTIVE MARKINGS			
SECURITY CLASSIFICATION AUTHORITY			3 DISTRIBUTION/AVAILABILITY OF REPORT Approved for public release; distribution unlimited			
DECLASSIFICATION/DOWNGRADING SCHEDULE						
PERFORMING ORGANIZATION REPORT NUMBER(S)			5. MONITORING ORGANIZATION REPORT NUMBER(S)			
NAME OF PERFORMING ORGANIZATION Naval Postgraduate School		6b. OFFICE SYMBOL (If applicable) Code 54	7a. NAME OF MONITORING ORGANIZATION Naval Postgraduate School			
ADDRESS (City, State, and ZIP Code) Monterey, California 93943-5100			7b. ADDRESS (City, State, and ZIP Code) Monterey, California 94943-5100			
NAME OF FUNDING/SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (If applicable)	9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER			
ADDRESS (City, State, and ZIP Code)			10. SOURCE OF FUNDING NUMBERS			
			PROGRAM ELEMENT NO.	PROJECT NO	TASK NO	WORK UNIT ACCESSION NO
TITLE (Include Security Classification) AN EVALUATION OF THE ADEQUACY OF THE FINANCIAL MANAGEMENT AND BUDGETING TRAINING PROVIDED TO GROUND SUPPLY OFFICERS IN THE UNITED STATES MARINE CORPS						
PERSONAL AUTHOR(S) Perkenham, Robert J.						
a. TYPE OF REPORT Masters Thesis		13b. TIME COVERED FROM _____ TO _____	14. DATE OF REPORT (Year, Month, Day) 1985 December		15. PAGE COUNT 71	
SUPPLEMENTARY NOTATION						
COSATI CODES			18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)			
FIELD	GROUP	SUB-GROUP	Financial Management, Budgeting, Training, Marine Corps Ground Supply Officers			
ABSTRACT (Continue on reverse if necessary and identify by block number)						
<p>This thesis evaluates the adequacy of the financial management and budgeting training provided to ground supply officers in the United States Marine Corps. Data, based on the responses to a questionnaire, were compiled to summarize the perspective of operating unit supply officers regarding their financial management/budgeting training. This information is contrasted with data obtained during interviews with selected financial managers in the operating forces regarding their views on the performance levels of supply officers relative to their financial and budgeting duties. The author concludes that the current financial training is not adequate considering the scope of a supply officer's duties at the operating unit level. The author recommends: (1) that the training be expanded to approximately twice its current instruction length and include practical application exercises and</p>						
DISTRIBUTION/AVAILABILITY OF ABSTRACT <input checked="" type="checkbox"/> UNCLASSIFIED/UNLIMITED <input type="checkbox"/> SAME AS RPT <input type="checkbox"/> DTIC USERS			21. ABSTRACT SECURITY CLASSIFICATION Unclassified			
a. NAME OF RESPONSIBLE INDIVIDUAL Jerry McCaffery			22b. TELEPHONE (Include Area Code) (408) 646-2536		22c. OFFICE SYMBOL 54 MM	



UNCLASSIFIED

SECURITY CLASSIFICATION OF THIS PAGE (When Data Entered)

19. (2) that professional financial managers, not supply personnel, conduct the financial/budgeting instruction at the ground supply officers course.

Approved for public release; distribution unlimited

An Evaluation of the Adequacy of the Financial Management  
and Budgeting Training Provided to Ground Supply Officers  
in the United States Marine Corps

by

Robert J. Herkenham  
Major, United States Marine Corps  
B.S., State University of New York at Plattsburgh, 1973

Submitted in partial fulfillment of the  
requirements for the degree of

MASTERS OF SCIENCE IN MANAGEMENT

from the

NAVAL POSTGRADUATE SCHOOL  
December 1985

Kneale T. Marshall  
Dean of Information and Policy Sciences

ABSTRACT

Thesis  
4489  
C6

This thesis evaluates the adequacy of the financial management and budgeting training provided to ground supply officers in the United States Marine Corps. Data, based on the responses to a questionnaire, were compiled to summarize the perspective of operating unit supply officers regarding their financial management/budgeting training. This information is contrasted with data obtained during interviews with selected financial managers in the operating forces regarding their views on the performance levels of supply officers relative to their financial and budgeting duties. The author concludes that the current financial training is not adequate considering the scope of a supply officer's duties at the operating unit level. The author recommends: (1) that the training be expanded to approximately twice its current instruction length and include practical application exercises and (2) that professional financial managers, not supply personnel, conduct the financial/budgeting instruction at the ground supply officers course.



## TABLE OF CONTENTS

I.	INTRODUCTION -----	8
A.	BACKGROUND -----	8
B.	OBJECTIVE -----	11
C.	METHODOLOGY -----	12
D.	THESIS ORGANIZATION -----	13
II.	PRESENTATION AND ANALYSIS OF DATA FROM COMPANY GRADE OFFICERS -----	15
A.	GENERAL -----	15
B.	RATIONALE FOR QUESTIONS AND SURVEY RESULTS ----	15
C.	SUMMARY -----	31
III.	PRESENTATION AND ANALYSIS OF DATA FROM FIELD GRADE OFFICERS -----	33
A.	GENERAL -----	33
B.	RATIONALE FOR QUESTIONS AND SURVEY RESULTS ----	33
C.	SUMMARY -----	41
IV.	COMPARISON OF ENTRY LEVEL TRAINING -----	44
A.	INTRODUCTION -----	44
B.	SERVICE COMPONENT TRAINING -----	44
1.	Army -----	44
2.	Air Force -----	45
3.	Navy -----	46
4.	Marine Corps -----	46
C.	COMPARATIVE ANALYSIS -----	47

V. CONCLUSIONS AND RECOMMENDATIONS -----	50
A. INTRODUCTION -----	50
B. CONCLUSIONS AND RECOMMENDATIONS -----	50
C. SUMMARY -----	53
APPENDIX A (FINANCIAL MANAGEMENT/BUDGETING QUESTIONNAIRE WITH COVER LETTER) -----	55
APPENDIX B (RESPONSES TO QUESTIONS 19-21 OF THE FINANCIAL MANAGEMENT/BUDGETING QUESTIONNAIRE) -----	61
APPENDIX C (QUESTIONS FOR FIELD GRADE OFFICERS) -----	67
LIST OF REFERENCES -----	68
INITIAL DISTRIBUTION LIST -----	70

## LIST OF TABLES

I.	PERCENT OF TOTAL TIME SPENT ON FINANCIAL MANAGEMENT AND BUDGETING DUTIES BY SECOND LIEUTENANTS -----	17
II.	PERCENT OF TOTAL TIME SPENT ON FINANCIAL MANAGEMENT AND BUDGETING DUTIES BY FIRST LIEUTENANTS -----	18
III.	PERCENT OF TOTAL TIME SPENT ON FINANCIAL MANAGEMENT AND BUDGETING DUTIES BY CAPTAINS -----	19
IV.	PERCENT OF TOTAL TIME SPENT ON FINANCIAL MANAGEMENT AND BUDGETING DUTIES BY ALL RESPONDENTS -----	20
V.	TOPICS COVERED DURING FINANCIAL MANAGEMENT/ BUDGETING TRAINING -----	24
VI.	ASSESSMENT OF THE QUALITY OF INSTRUCTION -----	26
VII.	COMPTROLLERS' RESPONSES TO QUESTION 1 -----	35
VIII.	COMPTROLLERS' RESPONSES TO QUESTION 2 -----	36
IX.	COMPTROLLERS' RESPONSES TO QUESTION 3 -----	37
X.	COMPTROLLERS' RESPONSES TO QUESTION 4 -----	38
XI.	COMPARISON OF THE NAVY AND MARINE CORPS FINANCIAL MANAGEMENT/BUDGETING TRAINING -----	49



## I. INTRODUCTION

### A. BACKGROUND

The history of financial management in the United States Marine Corps can be traced back to 1789. In that year, Congress authorized the Marine Corps one Quartermaster to provide necessary logistics support, to include the disbursement of monies utilizing Naval sources for those Marines at sea and Army sources for Marines ashore [Ref. 1:p. 10]. Since that time, Marine Corps financial management has progressed from a simple operation of money disbursement to the present complex system of multimillion dollar operating budgets.

The Marine Corps' stated policy regarding financial management is:

All funds appropriated for use by the Marine Corps, either directly or indirectly, will be utilized toward achieving maximum operational potential. Every effort will be devoted toward obtaining the highest level of efficiency and economy. It is incumbent on every level of command, and all personnel, to ensure that financial resources are expended only to further the operational capability of the Marine Corps. [Ref. 2:p. 1-25]

Prudent financial management is a key factor in the Marine Corps' readiness. The efficient management of financial affairs is the responsibility of financial specialists at Headquarters Marine Corps and professional financial management officers assigned to staffs at all major

subordinate commands. However, the day-to-day functions of financial management and budget execution are the responsibility of the ground supply officer at the operating unit level. These officers formulate and prepare their unit's operating budget, initiate financial obligations to obtain required supplies and equipment, and maintain memorandum accounting records for financial resources.

Associated with these financial resources are command legal responsibilities. The legal responsibilities, which are generally passed no lower than a Responsibility Center (i.e., Headquarters, Fleet Marine Force, Atlantic), require that the funds be obligated and expended for goods and services within the proper appropriation, and that obligations not exceed ceiling limitations imposed by higher headquarters. Violation of these responsibilities could result in a fine and/or imprisonment. The responsibilities of command extend to all organizations and personnel that deal with authorized funds. These command responsibilities involve the effective and efficient use of appropriated resources. Although not legally responsible, the unit supply officer who does not manage his financial resources effectively and efficiently may have his military career terminated with a poor performance report. [Ref. 3:p. 8]

In this thesis, I will evaluate the adequacy of the current level of financial and budgeting training provided to ground supply officers in the U.S. Marine Corps. My

interest in the subject dates back to the beginning of my career as a ground supply officer. As a student at the Ground Officers Supply Course (GSOC) in 1974, I was exposed to a wide range of supply and financial issues germane to the management of an operating unit supply account. Each issue was new to me then and most were difficult--especially those related to finance and budgeting. The financial management and budgeting functions in the Marine Corps are detailed and complex. GSOC provided the initial familiarization training and exposed me to the basic fundamentals of the subjects. However, shortly after graduation from GSOC, as the new supply officer at 1st Battalion, 12th Marines, I realized the basics were not always enough to get my job done well. I recall asking myself, does the Marine Corps realize the scope of a supply officer's responsibilities regarding finance/budgeting at the operating unit level? Does the Marine Corps believe I am trained to effectively and efficiently manage the appropriated funds in my charge? At that time, I was certain the answer to these questions was an unqualified "No".

With these recollections in mind, over ten years later, I sought to ascertain the attitudes of today's junior officers currently serving in operating unit supply billets to pinpoint their feelings on these and related issues.



Further, I sought the opinions of my fellow field grade officers who are professional financial managers. My intent was to determine how these officers view the quality of the training provided by GSOC based on their assessment of the performance level of GSOC graduates with respect to financial/budgeting duties at the operating unit accounts.

#### B. OBJECTIVE

This study is directed toward determining whether the financial management and budgeting training provided at the GSOC is appropriate considering the scope of a supply officer's responsibilities with respect to finance and budgeting at a ground operating unit. The focus of the study is the company grade supply officer (lieutenants and captains), since these officers are generally assigned as battalion supply officers at the ground combat (infantry), combat support (artillery, tanks, amphibious tractors, combat engineers, communications) and combat service support (supply, maintenance, landing support, motor transport, engineer support, communications support, medical, dental and headquarters/service) units.

The current financial management/budgeting syllabus offered at GSOC is provided below:

<u>Topic</u>	<u>Hours of Instruction</u>
Financial Management	
Overview	1
Appropriations Data	1
Job Order Numbers	1
File Maintenance	2
Financial Reports	2
Budgeting	
Overview	1
PPBS, POM, Mid-year Review	3
Budget Preparation	2
Budget Execution	2
Open Purchase/Servmart	<u>3</u>
Total	18

### C. METHODOLOGY

The research methods used were a combination of questionnaires and a series of interviews. One questionnaire was prepared, pretested and sent to all company grade supply officers currently assigned to the operating forces in the three active Marine Divisions (MARDIV) and Force Service Support Groups (FSSG). The purpose of this questionnaire was to ascertain the perspective of the company grade supply officers regarding their preparation and training to effectively perform their financial management and budgeting duties. This information was contrasted with information obtained from a second questionnaire used during interviews with selected field grade officers (Majors, Lieutenant Colonels, Colonels) in key financial management billets at the active MARDIVs and FSSGs. The interviews focused on the perspectives of these

professional financial managers regarding the performance level of supply officers they have observed with respect to financial management and budgeting. Finally, a limited analysis was conducted of the financial management and budgeting training given to entry level supply officers as part of their basic supply course by the Army, Navy and Air Force. The intent here was to assess the relative emphasis given to financial management and budgeting by the three other services as compared to the training provided by the Marine Corps at the Ground Supply Officers Course.

#### D. THESIS ORGANIZATION

This study is divided into five chapters. The first chapter serves as an introduction and provides the reader with an overview of the subject along with the author's objectives and methodology.

Chapter II focuses on the company grade supply officer's perspective regarding the adequacy of the Marine Corps' financial management and budgeting training. The analysis of the data obtained from the survey questionnaire is the principle thrust of this chapter.

Chapter III describes the reactions of the field grade financial managers interviewed regarding their perspective of how well-prepared GSOC graduates are to effectively handle their financial management and budgeting duties in the ground operating units of the Fleet Marine Force (FMF).



Chapter IV is a brief look at the financial management and budgeting training offered by the Marine Corps to ground supply officers as compared to similar training provided by the Army, Navy and Air Force. This chapter provides a snapshot of the relative emphasis each service supply course gives to financial management and budgeting.

Chapter V presents the author's conclusions and recommendations. This study was undertaken with the best interest of the Marine Corps' supply community in mind in an effort to ascertain what, if any, changes might be appropriate to enhance the performance level of GSOC graduates regarding financial management and budgeting in the FMF.

## II. PRESENTATION AND ANALYSIS OF DATA FROM COMPANY GRADE OFFICERS

### A. GENERAL

This chapter focuses on the presentation and analysis of data obtained from the company grade officer financial management and budgeting questionnaire. Questionnaires were sent to ground supply officers assigned to the operating units in the three active MARDIVs and FSSGs. A total of 85 questionnaires were distributed. An example of the questionnaire is contained in Appendix A. Responses were received from 62 officers (15 Second Lieutenants, 31 First Lieutenants, 16 Captains). This corresponds to a response rate of 72%. The respondents were company grade officers with the primary military occupational specialty of 3002, ground supply. These officers were isolated and specifically queried because they have responsibility for financial management and budgeting at their respective units. Company grade supply officers in billets other than at an operating unit supply account are generally not tasked with financial management and/or budgeting responsibilities.

### B. RATIONALE FOR QUESTIONS AND SURVEY RESULTS

Obtaining data relating to how supply officers at the operating unit level focus their time and effort was the

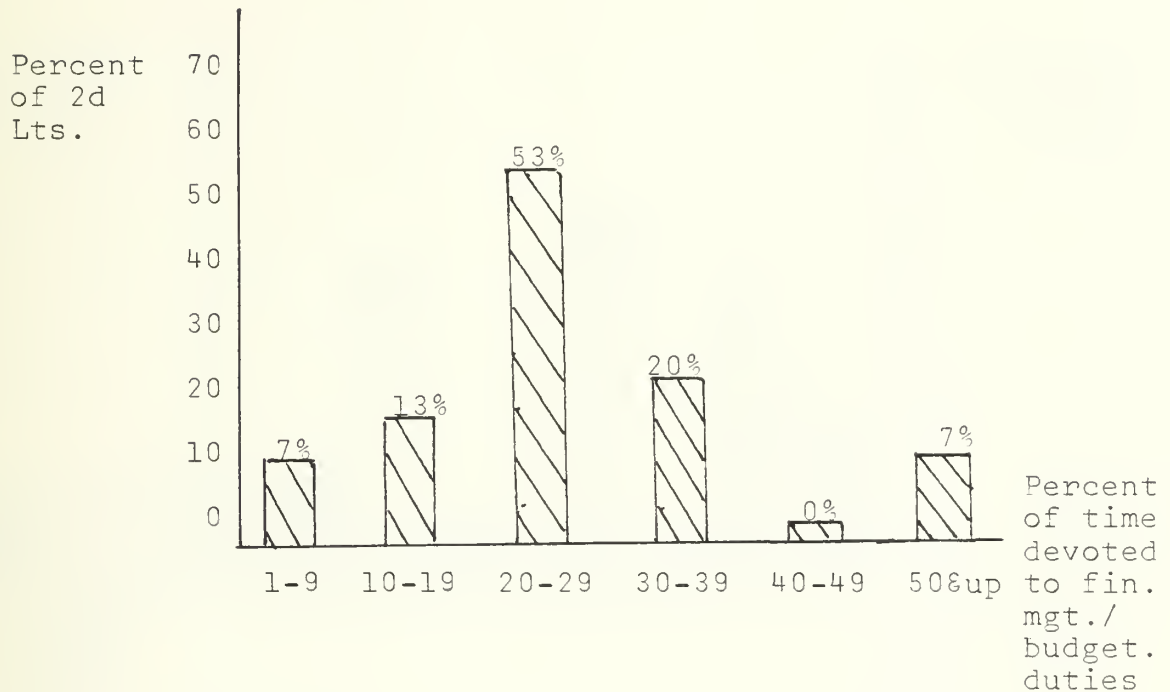
intent of the first question. This information is important and should logically be taken into consideration when the GSOC instruction time is being allocated. Approximately 70% of the officers are assigned directly to operating unit supply accounts upon graduation from GSOC. Further, approximately 92% of the GSOC graduates are assigned at least one such account during their initial tour on active duty. [Ref. 4]

Tables 1, 2, and 3 display the data regarding the percent of total time spent on financial management and budgeting duties by Second Lieutenants, First Lieutenants and Captains respectively. Table 4 presents the aggregate data for all respondents for the first question. The survey indicates that Second Lieutenants concentrate the most time on their financial management and budgeting duties with 80% of the respondents spending 20% or more of their total duty time on these tasks. The more experienced officers tend to spend less time on such tasks with 58% of the First Lieutenants and 56% of the Captains devoting 20% or more of their duty time on financial management and budgeting. In general, the supply officers who responded devote between 20% and 29% of their time/effort on financial management and budgeting.

Question two focuses on how many personnel are required to accomplish the fiscally related tasks of the

TABLE 1

PERCENT OF TOTAL TIME SPENT ON  
FINANCIAL MANAGEMENT AND BUDGETING DUTIES  
BY SECOND LIEUTENANTS

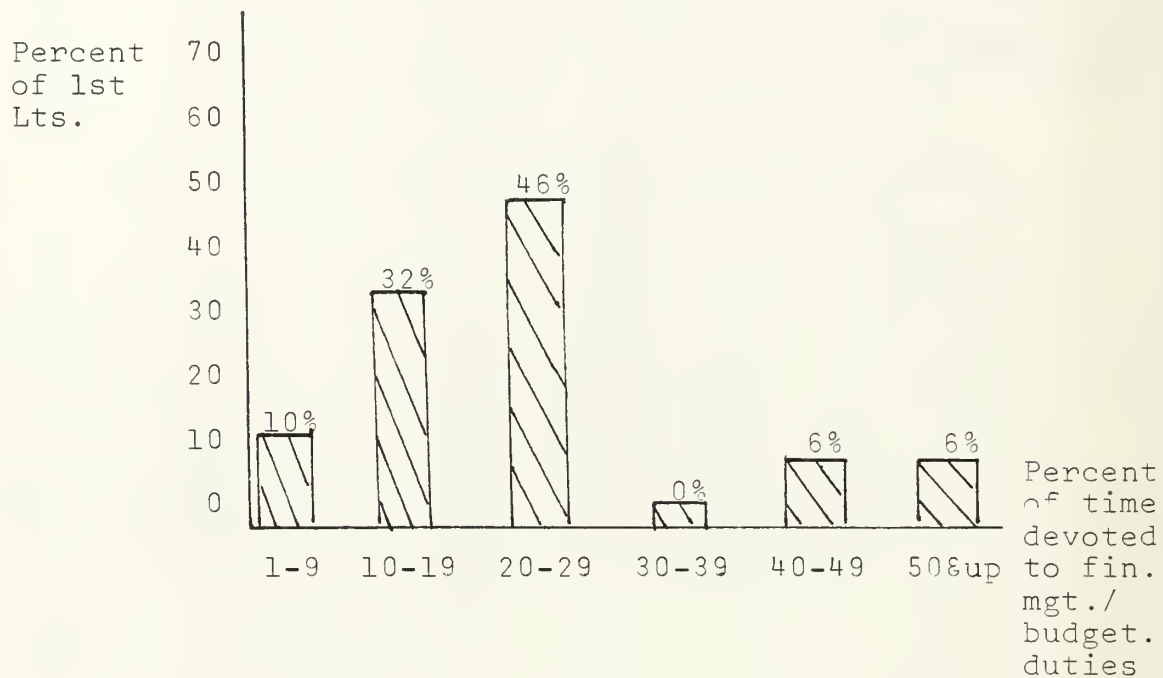


<u>Percent of Time Devoted To Financial Mgt./Budgeting</u>	<u>Number of 2d Lts.</u>	<u>Percent of 2d Lts.</u>
0	0	0
1-9	1	7
10-19	1	13
20-29	8	53
30-39	3	20
40-49	1	0
50&up	1	7
	<u>15</u>	<u>100</u>



TABLE 2

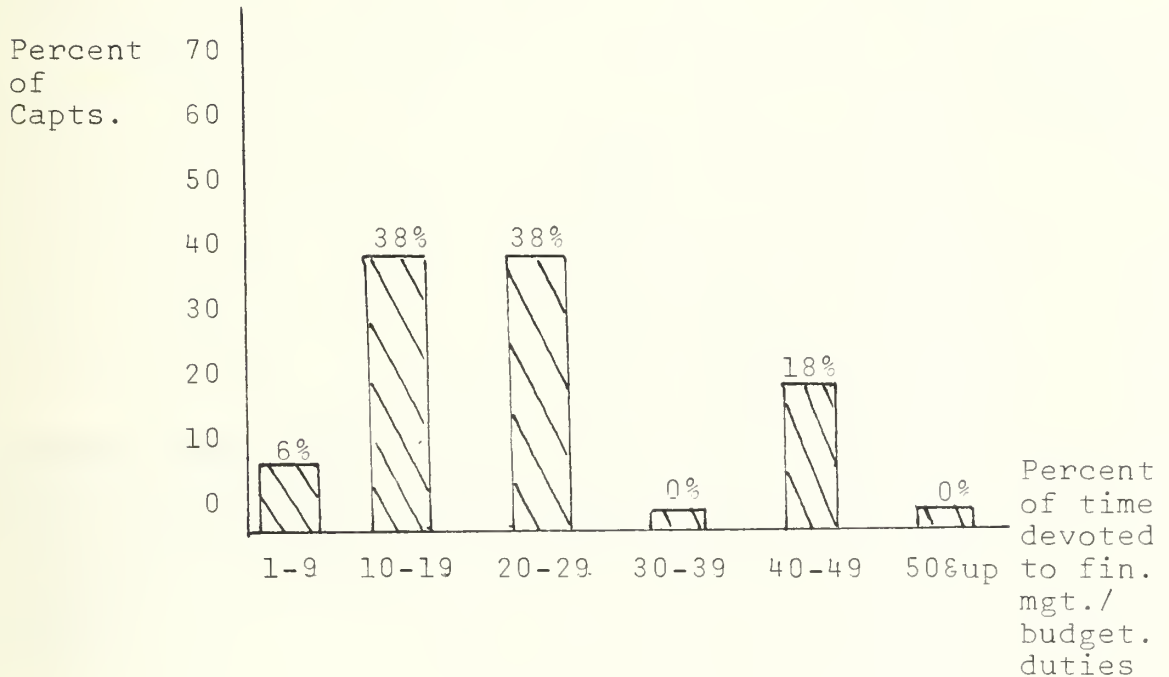
PERCENT OF TOTAL TIME SPENT ON  
FINANCIAL MANAGEMENT AND BUDGETING DUTIES  
BY FIRST LIEUTENANTS



<u>Percent of Time Devoted To Financial Mgt./Budgeting</u>	<u>Number of 1st Lts.</u>	<u>Percent of 1st Lts.</u>
0	0	0
1-9	3	10
10-19	10	32
20-29	14	46
30-39	0	0
40-49	2	6
50&up	2	6
	<u>31</u>	<u>100</u>

TABLE 3

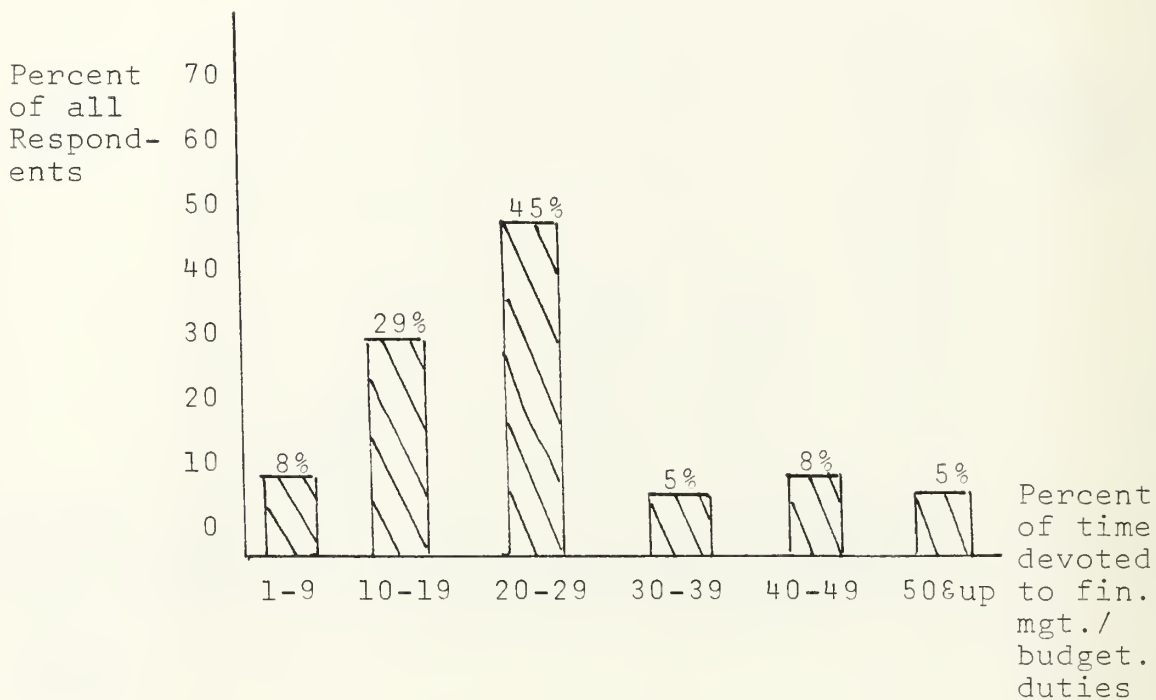
PERCENT OF TOTAL TIME SPENT ON  
FINANCIAL MANAGEMENT AND BUDGETING DUTIES  
BY CAPTAINS



<u>Percent of Time Devoted To Financial Mgt./Budgeting</u>	<u>Number of Captains</u>	<u>Percent of Captains</u>
0	0	0
1-9	1	6
10-19	6	38
20-29	6	38
30-39	0	0
40-49	3	18
50&up	0	0
	<u>16</u>	<u>100</u>

TABLE 4

PERCENT OF TOTAL TIME SPENT ON  
FINANCIAL MANAGEMENT AND BUDGETING DUTIES  
BY ALL RESPONDENTS



<u>Percent of Time Devoted To Financial Mgt./Budgeting</u>	<u>Number of Respondents</u>	<u>Percent of Respondents</u>
0	0	0
1-9	5	8
10-19	18	29
20-29	28	45
30-39	3	5
40-49	5	8
50&up	3	5
	<hr/> 62	<hr/> 100

supply section. The survey indicates that all 62 officers responding to the questionnaire devote a portion of their human resources to fiscal affairs. The overwhelming majority, 89%, employ one fiscal clerk while 11% have two fiscal clerks. Generally, 4% to 15% of the supply section is engaged in fiscal related duties on a full-time basis.

Question three addresses the requirement to maintain fiscal accounting records. Seventy-nine percent of the respondents are required to keep records for requisitional authority (OFFS) expenditures while 89% keep planning estimate (OPBUD) records. Questions four and five seek to determine if those who maintain records are required to reconcile the records and conduct periodic validations of pending transactions (undelivered orders) to ensure they are valid and supply action is underway to satisfy their requirements. The survey indicated that all supply officers who are required to maintain records are responsible for reconciling and validating the records periodically.

Question six relates to the inspection of fiscal procedures and records periodically by representatives from higher headquarters. These inspections are the principal feedback device for the senior commander to ascertain performance and compliance with financial management operating procedures within a major subordinate command. All respondents indicated their accounts are inspected periodically.

Questions seven through nine relate to the budgeting process and whether the supply officer has had the opportunity to participate in the budget formulation process. Seventy-nine percent of the respondents have participated in the budget process at least once and all who have participated were designated as their unit's coordinator for the budget with responsibility for its timely preparation and submission to higher authority.

Questions 10 and 11 solicited the opinions of the supply officers as to whether their financial management and budgeting responsibilities are considered major duties in light of their total responsibilities at their units. Ninety-two percent considered financial management a major responsibility while 84% viewed budgeting as a major responsibility.

Question 12 addressed six financial management and budgeting topics which are normally associated with a supply officer's duties in the FMF and sought to determine if instruction/training was provided at GSOC relating to each topic. If instruction was provided at GSOC, the respondents were asked to approximate the amount of time allocated to such instruction. The topics were budgeting, financial management (overview), maintaining fiscal records, OFFS/OPBUD reconciliation process, validation of undelivered orders, and training related to reverted balances. Although



many of the officers queried had completed GSOC several years prior, question 12 was intended to highlight the impact specific instruction had on individual officers and assess its subsequent value or utility to officers while serving in the FMF. Well over 75% of the respondents recalled instruction on budgeting and at least an overview of financial management. However, 56% or less recalled any instruction in the areas of maintaining records, reconciliation, validations and reverted balances. Table 5 displays the data compiled by rank in response to question 12.

Questions 13 through 18 were asked as a follow-on to question 12 and sought opinions regarding the quality of the instruction on the topics noted above. Few respondents determined the quality of instruction on the topics noted as excellent or outstanding. The quality was generally indicated as satisfactory, marginal or unsatisfactory. It should be noted that without exception, if a respondent could not recall any instruction on a particular topic, an unsatisfactory evaluation was indicated. Table 6 provides a compilation of the data in response to questions 13 through 18. This data is displayed by rank in an effort to segregate the attitudes of the recent GSOC graduates from those who completed the course several year ago.

TABLE 5

TOPICS COVERED DURING FINANCIAL MANAGEMENT/  
BUDGETING TRAINING

Topic: Budget	Was It Covered		If Covered, Approx. Hours of Instruction						
	Yes	No	>1	1	2	3	4	5	6
2d Lt. (15)	(10) 66%	(5) 34%	0	7	2	0	1	0	0
1st Lt. (31)	(25) 80%	(6) 20%	6	5	2	2	4	4	2
Capt. (16)	(13) 81%	(2) 19%	3	2	3	1	1	3	0
Total (62)	(48) 77%	(14) 23%	9	14	7	3	6	7	2

Topic: FinMgt.	Was It Covered		If Covered, Approx. Hours of Instruction						
	Yes	No	>1	1	2	3	4	5	6
2d Lt. (15)	(12) 80%	(3) 20%	0	6	2	2	1	1	0
1st Lt. (31)	(26) 84%	(5) 16%	6	6	2	2	4	4	2
Capt. (16)	(12) 75%	(4) 25%	2	2	2	1	1	4	0
Total (62)	(50) 80%	(12) 20%	8	14	6	5	6	9	2

Topic: Main- taining Records	Was It Covered		If Covered, Approx. Hours of Instruction						
	Yes	No	>1	1	2	3	4	5	6
2d Lt. (15)	(8) 53%	(7) 47%	0	6	1	1	0	0	0
1st Lt. (31)	(18) 58%	(13) 42%	0	8	8	0	0	1	1
Capt. (16)	(9) 56%	(7) 44%	0	6	1	1	0	1	0
Total (62)	(35) 56%	(27) 44%	0	20	10	2	0	2	1

TABLE 5 (cont'd)

TOPICS COVERED DURING FINANCIAL MANAGEMENT/  
BUDGETING TRAINING

Topic: OFFS OPBUD Recon- ciliation	Was It Covered		If Covered, Approx. Hours of Instruction						
	Yes	No	>1	1	2	3	4	5	6
2d Lt. (15)	(9) 60%	(6) 40%	0	9	0	0	0	0	0
1st Lt. (31)	(10) 32%	(21) 68%	0	7	1	0	0	1	1
Capt. (16)	(8) 50%	(8) 50%	0	6	1	0	0	1	0
Total (62)	(27) 44%	(35) 56%	0	22	2	0	0	2	1

Topic: Vali- dations UOD	Was It Covered		If Covered, Approx. Hours of Instruction						
	Yes	No	>1	1	2	3	4	5	6
2d Lt. (15)	(8) 53%	(7) 47%	0	8	0	0	0	0	0
1st Lt. (31)	(10) 32%	(21) 68%	0	9	0	0	0	1	0
Capt. (16)	(10) 62%	(6) 38%	0	10	0	0	0	0	0
Total (62)	(28) 46%	(34) 53%	0	27	0	0	0	1	0

Topic: Revert- ed Balance	Was It Covered		If Covered, Approx. Hours of Instruction						
	Yes	No	>1	1	2	3	4	5	6
2d Lt. (15)	(4) 26%	(11) 74%	0	3	1	0	0	0	0
1st Lt. (31)	(6) 20%	(25) 80%	0	5	0	0	0	1	0
Capt. (16)	(4) 25%	(12) 75%	0	4	0	0	0	0	0
Total (62)	(14) 22%	(48) 78%	0	12	1	0	0	1	0

TABLE 6

## ASSESSMENT OF THE QUALITY OF INSTRUCTION

	<u>Out.</u>	<u>Exc.</u>	<u>Sat.</u>	<u>Marg.</u>	<u>UnSat.</u>
Financial Management/ Budgeting (Overview)					
2d Lt. (15)			1	10	4
1st Lt. (31)			8	8	15
Capt. (16)			<u>5</u>	<u>4</u>	<u>7</u>
Total (62)			14	22	26
Percent			23%	35%	42%
Maintaining Fiscal Records					
2d Lt. (15)			3	7	5
1st Lt. (31)			7	8	16
Capt. (16)			<u>5</u>	<u>5</u>	<u>6</u>
Total (62)			12	20	27
Percent			24%	32%	44%
OFFS/OPBUD Reconciliation					
2d Lt. (15)		1	2	8	4
1st Lt. (31)			10	10	11
Capt. (16)			<u>5</u>	<u>6</u>	<u>5</u>
Total (32)		1	17	24	20
Percent		2%	28%	38%	32%

TABLE 6 (cont'd)

## ASSESSMENT OF THE QUALITY OF INSTRUCTION

	<u>Out.</u>	<u>Exc.</u>	<u>Sat.</u>	<u>Marg.</u>	<u>UnSat.</u>
Validation of Un-delivered Orders					
2d Lt. (15)		1	1	6	7
1st Lt. (31)			7	5	19
Capt. (16)			<u>4</u>	<u>4</u>	<u>8</u>
Total (62)		1	12	15	34
Percent		2%	19%	24%	55%
Reverted Balance					
2d Lt. (15)			1	7	7
1st Lt. (31)			7	5	19
Capt. (16)			<u>4</u>	<u>3</u>	<u>9</u>
Total (62)			12	12	35
Percent			19%	24%	57%
Overall Financial Mgt./Budgeting					
2d Lt. (15)			2	8	5
1st Lt. (31)			7	7	17
Capt. (16)			<u>5</u>	<u>5</u>	<u>6</u>
Total (62)			14	20	28
Percent			23%	32%	45%



Questions 19 through 21 sought free-form comments from the company grade supply officers regarding the strengths of the financial management and budgeting instruction provided to them at GSOC, their recommendations for improving the instruction, and comments of a general nature regarding such instruction. The comments are shown in Appendix B by rank to highlight the opinions and concerns of each group of officers.

The general theme and ideas of the respondents have been synthesized by the author. Regarding the strengths of the financial management/budgeting training, the majority of the officers indicated that they could not recall any particular strengths. One captain noted:

Unless a person received some general business or accounting training in college, GSOC graduates were ill-prepared to face the financial management and budgeting duties at their first unit.

A First Lieutenant added:

I do not recall specific strengths, but I do believe I was adequately prepared to do my job as a supply officer in the FMF.

Another First Lieutenant said:

I thought the instruction was satisfactory. We covered the key areas but I forgot a lot of the material because we didn't get any practical application exercises.

Among the Second Lieutenants, one officer remarked:

I was exposed to the financial terminology which proved helpful.

Another officer related that:

I didn't get much from the training but at least I knew I would be the fiscal officer and budget officer at my unit.

Finally, a Lieutenant added:

We were taught about as much as one could expect in a classroom environment.

Overall, few specific strengths were identified by the respondents.

With respect to recommendations to improve the financial management and budgeting training, the following responses crystallize the attitudes of the company grade supply officers. A Captain offered:

GSOC should utilize 3415's with FMF experience to teach the financial management and budgeting portion of the instruction. The 3002/3043 instructors do not do justice to these important topics.

Another Captain recommended that GSOC:

Employ the technique of practical application exercises which reinforce the classroom instruction as part of the financial management/budgeting package.

Several First Lieutenants indicated that the amount of instruction time spent on financial issues was insufficient.

One said:

It is clearly a matter of not enough time being spent in this area. If I spend 20% of my time on the job on financial management/budgeting related duties I think it is necessary for GSOC to devote approximately that percent of their instruction time to financial management/budgeting topics.

While another stated:

I recommend more time be spent on financial management/budgeting. We spent weeks on the additional demands list and publications. Why not spend at least one full week on financial management. I remember preparing hundreds

of ZOA's, D7P's, etc. (something I never do now) whereas we didn't do one budget exercise and every supply officer I know spends considerable time and effort on his budget.

One Second Lieutenant commented:

I know there is never enough time to teach everything a supply officer needs to know, but financial management is extremely important and needs to get a higher priority at GSOC.

For the most part, the recommendations offered were constructive and well developed. Clearly, the overwhelming majority recommended that additional classroom instruction be devoted to financial management/budgeting issues.

Finally, general comments regarding the financial management and budgeting instruction were requested. Samples of such comments are noted below. A First Lieutenant indicated:

Overall, the training received at GSOC was excellent in the areas of SASSY and organic property control. If this same quality of excellent instruction was offered in financial management/budgeting with an increase in the amount of classroom time, the second lieutenant supply officer would be much better prepared for the FMF.

Another First Lieutenant said:

There needs to be more stress on the significant responsibility a supply officer has as the fiscal officer. Too much time is spent on routine day-to-day supply matters, i.e., pubs, instead of discussing the role the supply officer plays with the S3, S4, etc. in the mid to long range financial planning for the unit. I think there needs to be more emphasis on the role of the supply officer in the big picture.

Perhaps one Second Lieutenant summed it up best by relating:

This . . . financial management/budgeting . . . is the one area I felt I didn't know all of what I needed to upon graduation from GSOC. I was right!

### C. SUMMARY

The company grade supply officer questionnaire highlighted several significant factors. First, on the average, supply officers at the operating unit level spend 25% of their time on financial matters--that is two hours of their eight hour workday. Second, unit supply officers not only manage the unit's operating financial resources but they are also tasked with the responsibility for the unit's budget. They play the pivotal role of planner, coordinator, and author of the annual budget submission. Third, the overwhelming majority of supply officers assess the quality and scope of their financial training at GSOC as less than satisfactory. The survey questionnaire clearly indicates that the financial management and budgeting training had limited impact on most officers and questionable subsequent value to officers while serving in FMF commands. Fourth, numerous supply officers identified the requirement for the financial and budgeting training to be provided by professional financial managers with FMF experience. These officers could provide the GSOC students with insight as to what will be expected of them in the fleet. Finally, company grade officers in the unit supply accounts viewed practical application exercises as essential for making the financial and budgeting training worthwhile. Such exercises would reinforce the classroom

instruction and highlight the real world requirements associated with successful performance in the key billets of unit financial manager and budget coordinator.

With the company grade supply officers' perspective clearly established, the next chapter will relate the field grade officer's view on the GSOC financial management and budgeting training.



### III. PRESENTATION AND ANALYSIS OF DATA FROM FIELD GRADE OFFICERS

#### A. GENERAL

This chapter focuses on the data obtained from interviews with seven field grade officers at the active MARDIVs and FSSGs who are professional financial managers (MOS 3415/9644). Each officer interviewed had either recently served as or was currently serving as the Comptroller or Budget Officer. The interviews were conducted either in person or via telephone and provided the senior officer perspective of how well the GSOC graduates were prepared to handle the financial management and budgeting responsibilities at the operating unit level. Appendix C is an example of the questions discussed during these interviews.

#### B. RATIONALE FOR QUESTIONS AND SURVEY RESULTS

The first four questions discussed during the interviews are identical to questions three through six of the company grade supply officer questionnaire. These questions were intended to identify the framework for financial management at each major subordinate command. Questions one, two and three addressed the requirement for supply officers to maintain fiscal accounting records, reconcile the records, and conduct periodic validations of pending

transactions. Question four related to inspections of fiscal records and procedures periodically by the comptrollers' staffs to ensure compliance with standard operating procedures for the purpose of achieving sound fiscal control and prudent resource management. The senior officers' responses confirmed the information obtained from the supply officers and are shown in Tables 7 through 10.

Questions five through nine were designed to obtain opinions regarding the quality of the GSOC training and determine its impact on the sound financial management and mission accomplishment from the comptroller/budget officer's perspective. Questions five and six asked whether the GSOC graduates were adequately trained to handle their financial duties in the FMF and if not, what should be done about it. The senior officers unanimously concurred that the financial management and budgeting training provided at GSOC was adequate. Nonetheless, several comments/recommendations were offered regarding the level of financial management understanding among GSOC graduates. The Comptroller of the 1st MARDIV said:

I have no problem with the instruction provided at the supply school. However, I do think the young lieutenants don't fully understand all of the financial management/budgeting concepts they are taught. I suppose this lack of understanding is to be expected to a certain extent. Unless a supply officer has a business degree, many of the financial management/budgeting terms and principles are totally unfamiliar and unrelated to their world. Most

TABLE 7

## COMPTROLLERS' RESPONSES TO QUESTION 1

"DO YOU REQUIRE THE UNIT SUPPLY OFFICERS  
TO MAINTAIN FISCAL REPORTS?"

		<u>Requisitional Authority (OFFS)</u>	<u>Planning Estimate (OPBUD)</u>
1st	MARDIV	Yes*	Yes*
2d	MARDIV	Yes	No
3d	MARDIV	Yes	Yes
1st	FSSG	Yes	Yes
2d	FSSG	Yes	Yes
3d	FSSG	Yes	Yes

\*Records are maintained by the Regimental Supply  
Officer for infantry and artillery battalions.

TABLE 8

## COMPTROLLERS' RESPONSES TO QUESTION 2

"DO YOU REQUIRE THE UNIT SUPPLY OFFICERS  
TO RECONCILE THEIR RECORDS PERIODICALLY?"

	<u>Requisitional Authority</u>	<u>Planning Estimate</u>
1st MARDIV	Yes	Yes
2d MARDIV	Yes	N/A
3d MARDIV	Yes	Yes
1st FSSG	Yes	Yes
2d FSSG	Yes	Yes
3d FSSG	Yes	Yes

TABLE 9

COMPTROLLERS' RESPONSES TO QUESTION 3

"DO YOU REQUIRE PERIODIC VALIDATION OF UDOS?"

1st MARDIV	Yes
2d MARDIV	Yes
3d MARDIV	Yes
1st FSSG	Yes
2d FSSG	Yes
3d FSSG	Yes



TABLE 10

## COMPTROLLERS' RESPONSES TO QUESTION 4

"DOES YOUR STAFF CONDUCT INSPECTIONS OF UNIT  
ACCOUNTING AND CONTROL PROCEDURES?"

1st MARDIV	Yes
2d MARDIV	Yes
3d MARDIV	Yes
1st FSSG	Yes
2d FSSG	Yes
3d FSSG	Yes

junior officers have managed their own checking accounts . . . but that is the extent of their financial management experience. [Ref. 5]

The Comptroller of the 2d MARDIV added:

. . . until lieutenants experience the realities of a battalion supply account they cannot be expected to fully understand the financial management/budgeting concepts they are taught at GSOC. [Ref. 6]

A recommendation to improve this situation was offered by the former Comptroller of the 1st MARDIV:

Maybe we should require supply officers to enroll in a financial management correspondence course during their first two years in the FMF. Such a course could review the basic topics taught at GSOC and provide further understanding of the terms and concepts they deal with on a routine basis. If we blend on-the-job training with a formal correspondence course our supply officers will have a solid financial management/budgeting foundation for future assignments in the field.

Later on during the interview he remarked:

Too often young supply officers think they can prepare the budget alone. They don't understand the importance of thorough staff action. The supply officer must be a good staff coordinator when it is time to write the budget. He must translate the needs of the commander and key staff officers into dollar terms. Perhaps a series of practical exercises to guide the supply officer through the staff coordination process required to formulate a budget would be helpful. GSOC could do this. [Ref. 7]

Other comments made in response to questions five and six included the following by the former Budget Officer at the 3d MARDIV:

The supply school should basically stay with their present course content. Afterall, financial management is largely driven by the supply system. Our financial reports are generated by the SMU (SASSY Management Unit) programs. It is essential that supply officers understand supply first and foremost and then relate that knowledge to financial management . . . Supply and financial management are

distinct functions, but good supply management usually promotes good financial management. The budget is altogether different. Budgets are prepared and executed differently at each command. I think the budget training can best be accomplished at the major commands. I'd much rather train a supply officer from scratch on how to prepare his budget input than worry about how much he learned in school. [Ref. 8]

Question seven addressed the supplemental training given to the unit supply officer by the comptroller. The responses during the interviews indicated that the comptrollers at the MARDIVs tend to utilize the expertise of the regimental supply officers in the infantry and artillery units to varying degrees to coordinate the financial responsibilities. This concept is applied particularly in the 1st MARDIV where according to the Comptroller:

The regimental supply officers are used extensively. These officers are experienced captains with operating unit experience--they train the battalion supply officers almost daily. [Ref. 5]

Each command also has an internal review staff which is part of the Comptroller section. Internal review serves two functions: (1) internal auditing, whereby auditors conduct scheduled inspections of the operating units' accounting and fiscal control procedures to ensure compliance with local operating procedure and sound fiscal management, and (2) training at the cost center level. In this role, periodic informal assistance visits are programmed for the operating units to teach and assist the supply officer and his fiscal clerks on an individual basis with instruction

tailored to their specific needs and circumstances. Every field grade officer interviewed identified the command's SOP for Financial Management as the most important tool for operating unit supply officers. The SOP serves as a guide for all financial related matters. Each command Comptroller is responsible for the publication and updating of the SOP and each operating unit supply officer is required to maintain a current copy in the publications library.

Question eight sought to identify any additional burden associated with this supplemental training of supply officers from the Comptroller's viewpoint. A resounding "no problem" was the response since training is unanimously considered a vital area in the overall mission of the Comptroller. As noted by the former Budget Officer of the 3rd MARDIV:

Training is merely part of the job and one that every Comptroller I know sees as necessary to continue.  
[Ref. 8]

#### C. SUMMARY

In contrast to the company grade supply officers who overwhelmingly expressed a desire to expand the scope and improve the quality of financial management/budgeting training provided at GSOC, the field grade financial managers basically viewed the current training as adequate. Some of the field grade officers consider additional financial training at GSOC as inappropriate in light of the

fact that entry level supply officers lack FMF experience and cannot relate their training to the real world.

However, other officers view the issue differently and several recommendations were offered which may improve the performance of GSOC graduates in the FMF. Practical application exercises were recommended as a means to emphasize the staff coordination requirements associated with the budget process. Correspondence courses were suggested in an effort to review and reinforce the concepts taught at GSOC.

In general, the field grade financial managers see themselves as key players in the education program of junior supply officers. They consider the task of refining the financial management and budgeting skills of supply officers in the FMF as essentially the duty of the Comptroller at each major command. In terms of procedure, they highlighted the study of the command's SOP for Financial Management by the unit supply officers as an important aspect of succeeding in this effort. Such study is now supplemented by periodic instruction from the internal review staff. Infantry and artillery battalion supply officers also receive training on a recurring basis by the regimental supply officer, where applicable.

Overall, the field grade financial managers were not critical of the GSOC training. Their view was pragmatic and clearly gave a vote of confidence to the GSOC program.

In the next chapter, the Marine Corps' financial training is compared with similar training offered by the Army, Air Force and Navy to their entry level supply officers.



#### IV. COMPARISON OF ENTRY LEVEL TRAINING

##### A. INTRODUCTION

This chapter provides a comparison of the amount of instruction time devoted to financial management and budgeting topics during the entry level supply officer training for each service component.

##### B. SERVICE COMPONENT TRAINING

###### 1. Army

The entry level training for supply officers in the Army consists of the Basic Supply Officer Course conducted at Fort Lee, Virginia. The course is 21 weeks long with a total of 798 hours of instruction. The course combines the generalized officer orientation training (leadership, weapons, tactics, etc.) for newly commissioned Army lieutenants with the specialized skills training required for duty in the supply field. Financial management and budgeting topics are generally not addressed via separate instruction. These topics are addressed in conjunction with the various supply issues covered during the specialty training. The course is designed to prepare supply officers for duty at the company level. Supply assignments at the company level do not entail financial and budgetary duties.

Supply officers with career potential generally return to Fort Lee after four years of commissioned service, prior to promotion to captain, to attend the Supply Officers Advanced Course. During this 20-week program financial management and budgeting topics constitute approximately 10% of the instructional program. [Ref. 9]

## 2. Air Force

The entry level supply training in the Air Force consists of the Officer Basic Resident Supply Operations Course, conducted at Lowery Air Force Base in Denver, Colorado. The course is 14 weeks long with 440 hours of instruction. It provides the junior officer with specialized skills training in supply. Generalized officer orientation training is accomplished separately depending on the officer's commissioning source/program. Like the Army, the Air Force integrates the financial management instruction into the supply and logistics training offered during the program. Unlike the other services, supply officers in the Air Force are generally not responsible for financial and budgetary matters. The Air Force usually restricts such duties to professional financial managers and budget specialists who receive training at the Air Force Accounting and Finance course. [Ref. 10]

### 3. Navy

The entry level supply training in the Navy consists of the Basic Qualifications Course conducted at the Naval Supply School located in Athens, Georgia. The course is 27 weeks long and combines the generalized officer training (leadership, seamanship, etc.) for newly commissioned ensigns with specialized skills training for duty in the Navy Supply Corps. In addition to the general officer training the course focuses on supply management, food service and disbursing. Financial issues are covered in considerable depth (over 40 hours of instruction) during the disbursing program with emphasis on topics such as payroll and cash management/control. The supply management program, consisting of approximately 360 classroom hours includes some 22 hours of instruction for financial management and budgeting topics. This equates to approximately six percent of the supply management training. Junior officers in the Navy Supply Corps assigned to operational fleet commands have responsibilities which closely parallel those of Marine supply officers at the FMF operating units. [Ref.11]

### 4. Marine Corps

The entry level ground supply training in the U.S. Marine Corps consists of the Ground Supply Officers Course conducted at Camp Johnson (Camp LeJeune), North Carolina. This training immediately follows a 20-week course of

generalized officer orientation and in-depth combat skills training conducted at The Basic School, Quantico, Virginia. The supply course is 12 weeks long with a total of 352 hours of instruction. It provides junior officers with specialized skills training in supply. The financial management and budgeting instruction is covered in 18 hours. This is approximately five percent of the overall training provided at the supply course. [Ref 4]

### C. COMPARATIVE ANALYSIS

There are considerable differences among the services' entry level supply curricula. There are further differences in the amount of financial management and budgeting training given to junior supply officers. These differences are understandable and due in part to the unique mission/organizational structure of each service. Each service gives different degrees of financial and budgetary responsibility to its junior supply officers, provides different generalized officer training and subsequent specialty training at various stages of a supply officer's career. For these reasons and others, a comparison of the Marine Corps' financial management/budgeting training with that offered by the Army and Air Force is inappropriate.

Both the Navy and Marine Corps' financial management and budgeting training is offered separately and is readily

distinguishable from other instruction. Therefore, only the Navy and Marine Corps training in this regard is addressed in this study. Table 11 shows a snapshot comparison of the topics discussed and the number of hours of instruction devoted to each topic. The specifics of the course content are logically different, but the topics noted describe the primary focus of the instruction. The Navy provides more instruction on financial management and budgeting than the Marine Corps. However, when the proportional amount of instruction time is compared, both services devote essentially the same percent of supply instruction time to financial management/budgeting topics with the Navy at six percent and the Marine Corps at five percent.

TABLE 11

COMPARISON OF THE NAVY AND MARINE CORPS  
FINANCIAL MANAGEMENT/BUDGETING TRAINING

<u>Topic</u>	<u>Hours of Instruction</u>	
	<u>Navy</u>	<u>Marine Corps</u>
Financial Management (Overview)	4	1
Appropriation Data/Job Order No.	2	2
File Maintenance	2	2
Financial Reports	2	2
Budgeting Overview (to include PPBS, POM, Mid-year Review)	4	4
Budget Preparation	3	2
Budget Execution	3	2
Open Purchase/Servmart	<u>2</u>	<u>3</u>
Total	22	18
 <u>Finance/Budget</u> <u>Total Instruction</u>	 <u>22</u> 360 = 6%	 <u>18</u> 352 = 5%



## V. CONCLUSIONS AND RECOMMENDATIONS

### A. INTRODUCTION

The objective of this study has been to determine whether the financial management and budgeting training provided at GSOC is appropriate considering the scope of a supply officer's duties and responsibilities regarding finance and budgeting at the operating unit level.

This chapter presents the conclusions which the preceding analysis points to and provides the author's recommendations.

### B. CONCLUSIONS AND RECOMMENDATIONS

Based on the foregoing research and analysis of the data, there are eight conclusions and three recommendations.

Conclusion 1. In general, the company grade supply officers responding to the survey questionnaire were less than enthusiastic about the quality of the financial management/budgeting instruction they received while attending GSOC.

Conclusion 2. The field grade financial managers interviewed consider the financial management/budgeting training provided at GSOC as adequate at this time.

Conclusion 3. The major subordinate command comptrollers and their staffs now provide and will continue to provide financial management and budgeting training to unit supply officers in the FMF on a recurring basis.

Conclusion 4. The company grade supply officers in the operating forces spend on the average 20-29 percent of their time/effort on financial management and budgeting related duties. Further, the overwhelming majority consider both financial management and budgeting to be major responsibilities in light of their overall duties.

Conclusion 5. The majority of these supply officers are tasked with formal recordkeeping, reconciliation and validation responsibilities regarding financial management at their unit supply accounts. In addition, the financial readiness of these supply accounts are formally inspected periodically by higher authorities.

Conclusion 6. The company grade supply officers spearhead the budget formulation process and play the pivotal role of overall budget coordinator for their units' annual budget submission, and they consider themselves to be inadequately trained for these duties.

Conclusion 7. The company grade supply officers at the operating units in the Marine Corps have greater responsibility for financial management and budgeting than their contemporaries in the Army and Air Force. Comparing

Marine Corps supply officers with their counterparts in the Navy indicates that both services give roughly equivalent responsibility and training to junior officers regarding financial management and budgeting.

Conclusion 8. The current financial management and budgeting training provided at GSOC should be expanded, considering the requirements and scope of such duties assigned to supply officers at the operating unit level.

Recommendation 1. That professional financial managers (MOS 3415) participate as instructors in the financial management/budgeting training at GSOC.

Recommendation 2. That the Officer in Charge of ground supply instruction communicate with the FMF comptrollers and obtain periodic feedback. The feedback should address such topics as the relevance of the financial management/budgeting course content and the identification of key concepts recent GSOC graduates do not seem to clearly understand yet need to understand to be effective in their FMF assignments.

Recommendation 3. That GSOC expand the financial management/budgeting syllabus to at least 33 hours of instruction. This is approximately double the current instruction package. A portion of this instruction should include a series of practical application exercises on the budgeting process which complements the classroom discussion. The

exercises should stress the pivotal role of the supply officer and provide examples/models for accomplishing staff planning and coordination. Specific budgeting techniques should be presented which can be employed during the actual budget formulation process in FMF units.

An outline of a proposed syllabus follows:

<u>Topic</u>	<u>Hours of Instruction</u>
Financial Management	
Overview	1
OFFS/OPBUD	1
File/Records	3
Reports Reconciliation	3
JON	1
Inspections	1
Practical Application Exercises	4
Budgeting	
Overview (PPBS, POM, Mid-year review)	1
Role of Supply Officer	2
Appropriations Process	1
Budget Preparation	4
Budget Execution	2
Practical Application Exercises	6
Open Purchase/Servmart	<u>3</u>
Total	33

### C. SUMMARY

This study clearly indicates that company grade supply officers desire more financial management and budgeting training, and view the current training level as inadequate. However, as noted by the field grade professional financial managers interviewed in conjunction with this study, mastery of the principles, procedures and concepts of financial

management and budgeting is not a realistic expectation immediately following graduation from GSOC. The field grade financial managers believe GSOC does provide the initial familiarization training and basic fundamentals of finance/budgeting. These fundamentals are supplemented by the comptrollers at the FMF commands. It is the author's belief that GSOC student officers must fully realize that financial management and budgeting skills are acquired as a result of a career-long learning process which blends formal schooling with on-the-job training.

GSOC can measurably enhance its contribution to this learning process by implementing the recommendations noted above. Specifically, practical application exercises are needed. In addition, more time should be devoted to the budget preparation process, with emphasis on the supply officers' role as budget planner and coordinator.

However, GSOC is merely the beginning. In the final analysis the mastery of financial skills is fundamentally the responsibility of each supply officer serving on active duty in the United States Marine Corps.

## APPENDIX A

### FINANCIAL MANAGEMENT/BUDGETING QUESTIONNAIRE WITH COVER LETTER



#### DEPARTMENT OF THE NAVY

NAVAL POSTGRADUATE SCHOOL  
MONTEREY, CA 93943-5100

IN REPLY REFER TO

01/RJH/rjh  
4400  
31 July 1985

From: Major R. J. HERKENHAM USMC 3002/0402  
To: Distribution List

Subj: Financial Management/Budgeting Questionnaire

Encl: (1) Subject Questionnaire

1. I am a student in the financial management program at the Naval Postgraduate School -- and I need your help! I am conducting a research project which focuses on the financial management and budgeting training provided at the Ground Supply Officers Course. The enclosed questionnaire is one of the primary sources of information for the research project.
2. Kindly complete the questionnaire at your earliest convenience and return it in the envelope provided. Your response will enable me to ascertain the perspective of junior officers regarding the quality of their training and preparation prior to assuming the financial management and budgeting duties of a Supply Officer in the operating forces.
3. Your assistance is greatly appreciated. Please direct any questions regarding this matter to the undersigned at AV 878-2536.

R. J. HERKENHAM

DIST: FMF Bn SupO



Rank \_\_\_\_\_

MOS \_\_\_\_\_

Years Commissioned Service \_\_\_\_\_

Date Completed Ground Officers Supply Course \_\_\_\_\_

1. On the whole, how do the leaders in your supply section focus their effort under normal circumstances?

<u>Supply Officer</u>	<u>Activity</u>	<u>Supply Chief</u>
%	Warehousing/Receipt Processing	%
%	Mechanized Allowance List (MAL)	%
%	Consolidated Memorandum Receipt (CMR)	%
%	Additional Demands/MIMMS	%
%	Budget Preparation	%
%	Budget Execution	%
%	Financial Management	%
%	Base Property	%
%	Platoon Related Matters	%
%	Other (please specify)	%
<u>100%</u>		<u>100%</u>

2. How is the effort of your staff (sergeants and below) distributed under normal circumstances?

<u>Activity</u>	<u>Number of Marines working on activity</u>
Warehousing/Receipt Processing	
MAL/CMR	
Additional Demands/MIMMS	
Fiscal	
Publications	
Equipment Issue	
Other (please specify)	
	_____ Total onboard strength of sergeants and below

3. Are you required to maintain memorandum fiscal accounting records for your unit?

Planning Estimate	Yes/No
Requisitional Authority	Yes/No

4. Are you required to reconcile these memorandum records with the official records maintained by higher headquarters?

Yes/No

5. Are you required to periodically validate undelivered orders?

Yes/No

6. Are your fiscal procedures and records inspected periodically by higher headquarters?

Yes/No

7. Have you had the opportunity to participate in the budget preparation process?

Yes/No

If Yes, for what fiscal year(s)? \_\_\_\_\_

8. If yes, were you charged with the overall responsibility for planning, coordinating and preparing the budget submission for your unit?

Yes/No

9. If no, who was charged with the overall responsibility?

XO \_\_\_\_\_  
S4 \_\_\_\_\_  
S3 \_\_\_\_\_  
Other (please specify) \_\_\_\_\_

10. Do you consider the financial management responsibility a major part of your overall duties as a unit Supply Officer?

Yes/No

11. Do you consider the budgeting responsibility a major part of your overall duties as a unit Supply Officer?

Yes/No

12. To the best of your recollection which of the following topics were covered during your training at Ground Supply Officers Course (GSOC) and in what detail?

<u>Topic</u>	<u>Covered at GSOC</u>	<u>Approx. Hours of Instruction</u>
Budgeting	Yes/No	
Financial Management - Overview	Yes/No	
Maintaining Fiscal Records	Yes/No	
OFFS/OPBUD Reconciliation Process	Yes/No	
Validation of Undelivered Orders	Yes/No	
Reverted Balance	Yes/No	

13. Reflecting on your training at GSOC and considering the requirements of your present duties, how would you assess the quality of the financial management/budgeting training provided at GSOC?

- (a) outstanding
- (b) excellent
- (c) satisfactory
- (d) marginal
- (e) unsatisfactory

14. Reflecting on your training at GSOC and considering the requirements of your present duties, how would you assess the quality of training regarding maintaining fiscal records provided at GSOC?

- (a) outstanding
- (b) excellent
- (c) satisfactory
- (d) marginal
- (e) unsatisfactory

15. Reflecting on your training at GSOC and considering the requirements of your present duties, how would you assess the quality of the training regarding the OFFS/OPBUD reconciliation process provided at GSOC?

- (a) outstanding
- (b) excellent
- (c) satisfactory
- (d) marginal
- (e) unsatisfactory

16. Reflecting on your training at GSOC and considering the requirements of your present duties, how would you assess the quality of the training regarding the validation of undelivered orders provided at GSOC?

- (a) outstanding
- (b) excellent
- (c) satisfactory
- (d) marginal
- (e) unsatisfactory

17. Reflecting on your training at GSOC and considering the requirements of your present duties, how would you assess the quality of the training regarding reverted balance provided at GSOC?

- (a) outstanding
- (b) excellent
- (c) satisfactory
- (d) marginal
- (e) unsatisfactory

18. Reflecting on all the financial management and budgeting training provided at GSOC and considering the requirements of your present duties, how would you assess the overall value of the training provided at GSOC?

- (a) outstanding
- (b) excellent
- (c) satisfactory
- (d) marginal
- (e) unsatisfactory

19. Would you kindly comment on the strengths of the financial management/ budgeting training and preparation you received at GSOC.

20. What recommendations would you offer to improve the financial management/ budgeting training at GSOC considering the scope of your duties in an operating unit.

21. Any other comments regarding the financial management and budgeting training are welcome.

## APPENDIX B

### RESPONSES TO QUESTIONS 19-21 OF THE FINANCIAL MANAGEMENT/BUDGETING QUESTIONNAIRE

Question 19: Would you kindly comment on the strengths of the financial management/budgeting training and preparation you received at GSOC.

#### Captains

There were no strengths.

Unless a person received some general business or accounting training in college, GSOC graduates were ill-prepared to face the financial and budgeting duties at their first unit.

#### First Lieutenants

GSOC has the talent on their staff or access to officers at the FMF units at CLNC to really give excellent training. I think the OIC of the supply school simply needs to put more time and effort into the financial management/budgeting instruction package. If all the time we wasted on requisitioning "pubs" was replaced with worthwhile training on financial management/budgeting, the young supply officer would be light years ahead of the ballgame.

I do not recall specific strengths, but I do believe I was adequately prepared to do my job as a supply officer in the FMF.

I thought the instruction was satisfactory. We covered the key areas but I forgot a lot of the material because we didn't get any practical application exercises.

Thinking back, the financial management/budget portion of GSOC was covered in one afternoon. However, it was noted by the instructor that the amount of time allocated for the subject was inadequate. At least he was honest!

GSOC did an excellent job on the servmart/open purchase procedures to include credit card control.

## Second Lieutenants

Although the financial management/budgeting was not covered in depth the instruction was satisfactory. Our instructors said they didn't want to go into the procedures too deeply because each FMF command had a good SOP covering how they did things at that command.

We were taught about as much as one could expect in a classroom environment.

I didn't get much from the training, but at least I knew I would be the fiscal officer and budget officer at my unit.

I was exposed to the terminology which proved helpful.

Question 20: What recommendations would you offer to improve the financial management/budgeting training at GSOC considering the scope of your duties in an operating unit.

## Captains

GSOC should utilize 3415's with FMF experience to teach the financial management and budgeting portion of the instruction. The 3002/3043 instructors do not do justice to these important topics.

Employ the technique of practical application exercises which reinforce the classroom instruction as part of the financial management/budgeting package.

As I recall, the fiscal package was presented by a Master Gunnery Sergeant. His presentation was brief, but adequate as it turned out now that I have written a few budgets. Basically, all a person needs to write a budget is a sense of organization and the ability to add.

Have the students prepare a practice budget with proper decision unit management. A three-day budget "war" would really be beneficial.

Have representatives from the CFAO and comptroller's shops come in and provide instruction so the 3002's get both sides of the financial picture.



Take the new supply officer through the entire budget preparation cycle. Explain what financial management is and what it is not. (It is not just keeping the unit check-book--it involves planning for the future based on the mission, training schedule, and the priorities of the commander.)

### First Lieutenants

The GSOC curriculum coordinator should work with the Marine Corps Institute (MCI) to devise a correspondence course of instruction directed toward supplementing the financial management and budgeting process at the organic supply account level.

Specific instruction on the realities of a fiscal year closeout at the end of September! My first closeout was a very rude awakening! Tell the new supply officer what questions his CO is most likely to ask about fiscal . . . so he is somewhat prepared.

Develop a five-day budget exercise that takes the student through the entire budget process. The supply officer is the key player in the using unit budget process and some hands-on exercises at GSOC would be a great benefit.

It is clearly a matter of not enough time being spent in this area. If I spend 20% of my time on the job on financial management/budgeting related duties I think it is necessary for GSOC to devote approximately that % of their instruction time to financial management/budgeting topics.

More in-depth instruction on reverted balances--their causes and ways to prevent them. My battalion commander (LtCol) got a call from the CG on this matter at the end of the last fiscal year. If the CG is interested in it, GSOC should be also.

Emphasize expenditure planning for both RA and PE. Emphasize the criticality of a reverted balance. Utilize available balance reports and other fiscal reports as training aids so 3002's will know what to key in on when they receive the monthly statements.

The course needs to more clearly distinguish between OFFS and OPBUD. The reconciliation procedures need to be covered in detail. A practical application exercise would be a good way to finish up the entire fiscal package.

I think all supply officers should attend the fiscal clerks cost center course as part of the GSOC. I know all fiscal officers are encouraged to attend once they are in the FMF, but it is really hard to find the time to do so with a supply account to manage.

When I completed GSOC in August 84 our financial training was covered in two days. There was far too much information covered in too short a period for anyone to really learn much. One of my first real assignments as a supply officer was to write our unit's budget. I got plenty of input from the other officers in my unit, but I didn't have any GSOC handouts to refer to for help. Our comptroller answered all my questions as I went along, but a practice budget at GSOC would have been perfect. The GSOC student could get some idea at least of the pressure associated with an operating budget of over \$1 million while he is at school. This would be a big plus because within six months of graduating from GSOC he will probably be in that exact situation. Preparing a budget, then executing the budget and trying to explain why you didn't hit your obligation percentage rate or why you didn't have the money to buy something late in the fiscal year are not laughing matters. More realistic practical exercises at GSOC that ask hard questions would be worthwhile over the long run.

I recommend more time be spent on financial management/budgeting. We spent weeks on the additional demands list and publications. Why not spend at least one full week on financial management. I remember preparing hundreds of ZOA's, D7P's, etc. (something I never do now) whereas we didn't do one budget exercise and every supply officer I know spends considerable time and effort on his budget.

Extend GSOC by four weeks and provide a complete course of instruction on financial management/budgeting.

### Second Lieutenants

It needs to be taught in greater detail using a series of practical applications.

I know there is never enough time to teach everything a supply officer needs to know, but financial management is extremely important and needs to get a higher priority at GSOC.

It would be helpful to have some officers from the Division/FSSG comptroller shops come to GSOC and give classes on exactly what will be expected of you as a fiscal officer in the Fleet.

I think more emphasis needs to be placed on financial planning. In addition, information as to how to request and justify additional funds should be covered. Reverted balances is an important topic that I was not aware of until it was almost too late.

The mid-year review process needs to be covered in more detail, especially for December graduates. I got hit with submitting a mid-year review three months after I left GSOC in December 84. I had never heard the term mid-year review, no less knew what to compile for the submission.

Financial management/budgeting is my major headache. Every move you make as supply officer has financial implications; this issue needs to be thoroughly covered at GSOC. Supply and fiscal go hand in glove!

Explain the interface of SASSY/MIMMS/MAGFARS.

Question 21: Any other comments regarding the financial management and budgeting training are welcome.

### Captains

All tables of organization should be modified to include one 3400 financial management clerk for the operating battalions in lieu of a 3043 supply administration clerk.

Considering our nation's attitude toward regional conflicts and war in general after the Vietnam experience, I believe the only real battles that will be fought are those that deal with funding levels and the battlefield will be the halls of Congress. Therefore, Marine leaders have to be thoroughly trained and educated on financial issues commencing with their initial MOS training.

### First Lieutenants

Overall, the training received at GSOC was excellent in the areas of SASSY and organic property control. If this same quality of excellent instruction was offered in financial

management/budgeting with an increase in the amount of classroom time, the second lieutenant supply officer would be much better prepared for the FMF.

I think financial management/budgeting received sufficient instruction time at GSOC. However, the reasons I graded the quality of the instruction unsatisfactory is a Master Gun-nery Sergeant (3043) taught the package and at the start of the classes I remember him telling us that we probably wouldn't be doing much of this type work in the "real" Marine Corps. Luckily, I paid attention anyway because financial management/budgeting is one of my biggest responsibilities.

Most of my answers on the first part of this questionnaire were very negative. GSOC gave us an adequate overview on financial management/budgeting. My comptroller provides us with the details in a simple format when we need them to provide him with specific budget or financial management reports. GSOC should just stress the importance of fiscal in a using unit. My battalion CO/XO asks me more about our fiscal status than all other supply areas put together.

There needs to be more stress on the significant responsibility a supply officer has as the fiscal officer. Too much time is spent on routine day-to-day supply matters, i.e., pubs, instead of discussing the role the supply officer plays with the S3, S4, etc. in the mid to long range financial planning for the unit. I think there needs to be more emphasis on the role of the supply officer in the big picture.

### Second Lieutenants

Financial management and budgeting are difficult subjects to understand and yet a supply officer needs to understand these subjects from his first day in a using unit account if he wants to excel.

We were basically told that our fiscal clerks would handle most of the day-to-day financial matters. That was not true in my case and even if it were, how can a supply officer supervise properly if he doesn't know what his clerks are supposed to do.

This is the one area I felt I didn't know all of what I needed to upon graduation from GSOC. I was right!

## APPENDIX C

### QUESTIONS FOR FIELD GRADE OFFICERS

1. Do you require the unit supply officer to maintain fiscal records?

PE	Yes/No
RA	Yes/No
2. Do you require the unit supply officer to reconcile these records periodically?

Yes/No
--------
3. Do you require periodic validation of UDOs?

Yes/No
--------
4. Does your staff conduct inspections of unit accounting and control procedures?

Yes/No
--------

If Yes, at what frequency?
5. Do you think that recent GSOC graduates are adequately trained to handle the financial management and budgeting duties in operating unit accounts?
6. What recommendations would you offer to GSOC to improve the level of financial management and budgeting knowhow among its graduates?
7. What does your command do to supplement the training of unit supply officers?
8. Does the supplemental training burden you and your staff? Is it desirable from your point of view?



## LIST OF REFERENCES

1. Reed, B. F., Major, USMC and McMahan, R. D., Captain, USMC, An Evaluation of the Education and Training Requirements for Entry Level Marine Corps Officers in the MOS 3415, Masters Thesis, Naval Postgraduate School, Monterey, California, June 1983.
2. Marine Corps Manual, Department of the Navy, Headquarters Marine Corps, Washington, D.C., May 1980.
3. Gombo, Johnie, Major, USMC, An Evaluation of Financial Management Education and Training Provided to Marine Officers with the Primary MOS 3415, Masters Thesis, Naval Postgraduate School, Monterey, California, September 1980.
4. Telephone interview between Holmes, R. D., Major, USMC, Officer in Charge, Ground Supply Officers Course, Camp Lejeune, North Carolina and the author on 27 August 1985.
5. Telephone interview between Patrow, R., Lieutenant Colonel, USMC, Comptroller, First Marine Division, FMF, Camp Pendleton, California and the author on 1 September 1985.
6. Telephone interview between Williams, E. G., Major, USMC, Comptroller, Second Marine Division, FMF, former Budget Officer, Second Force Service Support Group, FMF, Camp Lejeune, North Carolina and the author on 27 August 1985.
7. Telephone interview between Gleisberg, R. E., Lieutenant Colonel, USMC, Comptroller, First Marine Amphibious Force, former Comptroller, First Marine Division, FMF, Camp Pendleton, California and the author on 24 August 1985.
8. Interview between Thornton, C. H., Jr., Major, USMC, former Budget Officer, Third Marine Division, FMF, Camp Courtney, Okinawa, Japan and the author on 1 September 1985.
9. Telephone interview between Bates, R. W., Major, USA, Curriculum Coordinator at Basic Supply Officers Course, Fort Lee, Virginia and the author on 5 September 1985.

10. Telephone interview between Cooper, J. M., GS-11, Curriculum Coordinator at Officers Basic Resident Supply Operations Course, Lowery Air Force Base, Denver, Colorado and the author on 30 August 1985.
11. Telephone interview between Erno, M., Lieutenant, USN, Assistant Operations Officer/Instruction Coordinator at the Navy Supply School, Athens, Georgia and the author on 3 September 1985.



# INITIAL DISTRIBUTION LIST

	No. Copies
1. Defense Technical Information Center Cameron Station Alexandria, Virginia 22304-6145	2
2. Library, Code 0142 Naval Postgraduate School Monterey, California 93943	2
3. Professor Jerry McCaffery, Code 54 MM Naval Postgraduate School Monterey, California 93943	1
4. Lieutenant Colonel D. E. Melchar, Code 0309 Naval Postgraduate School Monterey, California 93943	1
5. Major R. D. Holmes Ground Supply Instruction Section Supply School Company, MCSSS Camp Lejeune, North Carolina 28542-5050	1
6. Major R. D. McMahan Headquarters U.S. Marine Corps (Fiscal Division) Washington, D. C. 20380-0001	1
7. Major R. J. Herkenham c/o Dzikas 129 Rosemont Street Albany, New York 12203	1





Thesis

H489

c.1

Herkenham

215505

An evaluation of  
the adequacy of the  
financial management  
and bugeting training  
provided to ground  
supply officers in  
the United States  
Marine Corps.





thesH489

An evaluation of the adequacy of the fin



3 2768 000 68779 2

DUDLEY KNOX LIBRARY